

Message Text

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PAGE 01 MILAN 00853 111446Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04
NSAE-00 SIL-01 /032 W
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TO SECSTATE WASHDC 5381
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E.O. 11652: N/A
TAGS: PINT, ELAB, PINR, EFIN
SUBJECT: KEY CGIL METALWORKERS QUESTION SYSTEM OF BONUS PAYMENTS
ON RETIREMENT

1. ABOLITION OF BONUS PAYMENTS ON RETIREMENT ("LIQUIDAZIONE") AS CALLED FOR IN A RESOLUTION ADOPTED BY THE CGIL METALWORKERS OF MILAN PROVINCE ON APRIL 30 HAS LED TO A COUNTER-PROPOSAL BY ELEMENTS OF THE RIVAL CISL METALWORKERS FOR THE ESTABLISHMENT OF A "RE-TIREMENT BONUS FUND" UNDER THE CONTROL OF THE TRADE UNION MOVEMENT. THE ISSUE IS LIKELY TO BE HOTLY DEBATED, ACCORDING TO A CGIL OFFICIAL (PSI MEMBER) WHO TOLD THE LABOR REPORTING OFFICER THAT THE DEVELOPMENT PROBABLY MARKED THE BEGINNING OF THE END FOR RETIREMENT BONUSES, EVEN IF THE CHANGE COMES ABOUT IN STAGES AND OVER A PERIOD OF TIME.

2. EMOTION AS WELL AS POCKETBOOK INTERESTS ARE INVOLVED, THE LABOR OFFICIAL SAID, POINTING OUT THAT WHEN THE PRESS SPECULATED AT THE BEGINNING OF THE YEAR THAT SUSPENSION OF RETIREMENT BONUSES WOULD COME INTO EFFECT AS AN AUSTERITY MEASURE THE MINISTER OF LABOR FELT IT NECESSARY TO MAKE AN IMMEDIATE DENIAL. THE GOVERNMENT FEARED A RUSH FOR THE RETIREMENT WINDOW, BRINGING ON BONUS PAYOUTS THREATENING THE TREASURY'S SOLVENCY.

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3. LABOR OFFICIAL SAID THAT THE CGIL METALWORKERS IN MAKING THEIR PROPOSAL ACKNOWLEDGED THAT TODAY'S WAGE SCALES AND ASSOCIATED BENEFITS MET THE WORKERS' MINIMUM NEEDS. UNLIKE EARLIER TIMES, A WORKER RETIRING AT 80 PERCENT OF FULL WAGES (BASED ON 40 YEARS OF LABOR) DID NOT REQUIRE A LUMP SUM TO MAKE UP FOR A DROP IN INCOME. IN VOTING THEIR RESOLUTION THE METALWORKERS WERE NOT SHOWING COMPLETE DISINTEREST, THE CGIL

MAN NOTED, FOR IT WAS THE PUBLIC SECTOR WHERE THE RETIREMENT BONUS WAS DISBURSED IN THE MOST HANDSOME MANNER. AT A TIME WHEN THE COST OF LABOR WAS BEING ANALYZED, THE RETIREMENT BONUS WAS AN ABUSE TOO OBVIOUS TO GO UNOBSERVED, THE METALWORKERS' ARGUMENT WENT. UNIONS MIGHT AS WELL GET IT OUT IN THE OPEN THEMSELVES.

4. WHETHER OR NOT THE TOPIC WILL BE AIRED FURTHER AT THE CGIL NATIONAL CONVENTION AT RIMINI ON JUNE 9-15 DEPENDS IN PART ON HOW MUCH GRASS-ROOTS REACTION DEVELOPS AND IN PART ON THE ATTITUDE DISPLAYED BY THE POLITICAL PARTIES IN THE DISCUSSIONS WITH THE TRADE UNIONS DUE TO BE HELD THE WEEK OF MAY 16. THE LABOR LEADERSHIP DOES NOT INTEND PUSH REFORM MEASURES IF THEY ARE TO APPLY TO WAGE-EARNERS ALONE AND NOT TO THE PRIVILEGED ELEMENTS OF SOCIETY, ACCORDING TO OUR SOURCE.FINA

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Sent Date: 11-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
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